

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:)	Chapter 7
)	
ITT EDUCATIONAL SERVICES, INC.,)	Case No. 16-07207-JMC-7A
)	
Debtor.)	

AFFIDAVIT OF JAY JAFFE

Jay Jaffe, being first duly sworn to oath, deposes and says:

1. I am an attorney admitted to practice before the United States District Court for the Southern District of Indiana, and a partner in the firm of Faegre Baker Daniels LLP (“FBD”). FBD maintains offices in Colorado (Boulder and Denver), Indiana (Indianapolis, Fort Wayne, and South Bend), Illinois (Chicago), Iowa (Des Moines), Minnesota (Minneapolis), California (Los Angeles and Silicon Valley), Washington, D.C., England (London), and China (Beijing and Shanghai). I practice out of FBD's office located at 600 E. 96th Street, Suite 600, Indianapolis, Indiana 46240.

2. I submit this affidavit in support of the application (the “Application”) filed by Deborah J. Caruso as trustee (“Trustee”) for the chapter 7 estate of ITT Educational services, Inc. (“Debtor”) seeking an order approving the employment of FBD as special counsel to the Trustee in compliance with and to provide disclosure pursuant to sections 327 and 504 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule B-2014-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of Indiana (the “Local Rules”). Unless otherwise stated in this affidavit, I have personal knowledge of the facts hereinafter set forth. To the extent that any information disclosed herein requires amendment or modification upon FBD’s

completion of further analysis, or as additional creditor information becomes available, a supplemental affidavit will be submitted to the Court.

FBD's Qualifications

3. The Trustee seeks to retain FBD as special counsel with respect to employee benefits, public reporting requirements to the Securities and Exchange Commission (the "SEC"), and other special matters as requested and directed by the Trustee (the "Special Counsel Matters") *nunc pro tunc* to September 16, 2016 (the "Petition Date"). FBD represented Debtor with respect to employee benefit, SEC and other corporate matters prior to the Petition Date and represents Debtor in its chapter 7 case.

4. FBD's institutional knowledge of Debtor's public reporting requirements, benefit plans, corporate structure, assets, liabilities and operations makes it uniquely qualified to represent the Trustee with respect to the Special Counsel Matters and will reduce administrative overlap and cost to the estate.

5. FBD has and will continue to work closely with other professionals retained by the Trustee to prevent any duplication of efforts. FBD is willing and able to act as special counsel to the Trustee on the terms described herein, and to subject itself to the jurisdiction of the Court.

Compensation

6. Subject to approval of this Court and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, FBD intends to apply for compensation for professional services rendered to the Trustee, plus reimbursement of actual, necessary expenses and other charges incurred by FBD in performing services as special counsel to the Trustee.

7. The attorneys and paralegals expected to represent Debtors and their current standard hourly rates are as follows:

a)	Gayle Skolnik	\$645 per hour
b)	Jay Jaffe	\$595 per hour
c)	Christine G. Long	\$495 per hour
d)	Philip J. Gutwein, II	\$475 per hour
e)	Dustin R. DeNeal	\$410 per hour
f)	Kayla D. Britton	\$375 per hour
g)	Sarah B. Herendeen	\$265 per hour
h)	Debra L. Hinshaw	\$520 per hour
i)	Graham P. Widmer	\$340 per hour
j)	Mark P. Rosenfeld	\$325 per hour

Gayle Skolnik, Phillip Gutwein, Christine Long, Debra L. Hinshaw, Graham P. Widmer and Mark P. Rosenfeld will provide substantive non-bankruptcy work on the Special Counsel matters. One of Jay Jaffe, Dustin DeNeal, Kayla Britton, or Sarah Herendeen, will serve to provide bankruptcy interface between the substantive non-bankruptcy work and the bankruptcy case, including communication with counsel, the Trustee and the Court, the preparation of pleadings and the attendance at hearings as necessary.

8. FBD's hourly rates are set at a level designed to compensate FBD fairly for the work of its attorneys and paralegals and to cover fixed and routine expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions (which adjustments will be reflected in the first FBD fee application following such adjustments) and are consistent with the

rates charged elsewhere. Other than these potential periodic adjustments, FBD does not expect any changes during the pendency of this case.

9. FBD represented Debtor prior to the Petition Date. Other than the periodic adjustments described above, FBD's hourly rates and financial terms for the services performed prior to the Petition Date are identical to the hourly rates and financial terms of the engagement proposed herein. These hourly rates are consistent with the rates that FBD charges other clients.

10. It is FBD's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, filing fees, long-distance telephone charges, regular mail and express mail charges, special or hand delivery charges, document processing charges, printing/photocopying charges, travel expenses, expenses for "working meals," computerized research charges, and transcription costs. FBD will charge the Trustee for these expenses in a manner and at rates consistent with charges made generally to FBD's other clients or as previously fixed by this Court.

11. FBD has not shared nor agreed to share any compensation it may receive with another party or person, other than with the partners, associates, and professionals associated with FBD.

FBD's Disinterestedness

12. In connection with its retention by Debtor prior to the filing of this case, FBD undertook to determine whether it had any conflicts or other relationships that might cause it not to be disinterested or to hold or represent an interest adverse to Debtor. Specifically, FBD requested and obtained from Debtor a list of the names of persons and entities who may be parties in interest in a bankruptcy case, including but not limited to, secured creditors, the largest

unsecured creditors, significant contract counterparties, parties to litigation with Debtor, utility companies, present officers and directors, and parties holding equity interests in Debtor (the “Potential Parties in Interest”). A true and correct copy of the list of Potential Parties in Interest is attached hereto as Exhibit 1.

13. FBD searched on its electronic database for its connections to the Potential Parties in Interest. FBD maintains and systematically updates its conflict check system in the regular course of its business and it is the regular practice of FBD to make and maintain these records. The conflict system maintained by FBD is designed to include (i) every active matter on which FBD is engaged, (ii) closed matters on which FBD has been engaged in recent years, (iii) the entity by which it is now or has been engaged, (iv) the identity of related parties, (v) the identity of adverse parties and (vi) the attorney at FBD that is knowledgeable about the matter. It is the policy of FBD that no new matter may be accepted or opened within the firm without completing and submitting to those charged with maintaining the conflict check system the information necessary to check each such matter for conflicts, including the identity of the prospective client, the matter and the related and adverse parties. Accordingly, the database is updated for every new matter undertaken by FBD. The scope of the system is a function of the completeness and accuracy of the information submitted by the attorney opening a new matter.

14. Based on FBD’s conflict search system and internal review, neither I, FBD, nor any professional of FBD, insofar as I have been able to ascertain, has represented or currently represents any of the Potential Parties in Interest in matters related to our proposed engagement by the Trustee. However, FBD has in the past represented, currently represents and/or may in the future represent, in matters wholly unrelated to the Special Counsel Matters, certain Potential Parties in Interest, including, without limitation, those entities set forth on attached Exhibit 2.

15. FBD also has the following relationships with Debtor and/or Potential Parties in Interest:

A. FBD currently represents Debtor in this chapter 7 case and ESI Service Corp. and Daniel Webster College, Inc., subsidiaries of Debtor, in their respective chapter 7 cases.

B. Debtor represented Debtor and its affiliates in corporate, restructuring and other matters prior to the filing of this chapter 7 case.

C. Christine Long (“Mrs. Long”) began her career at Baker & Daniels, LLP in 1995. In March 2007, she left Baker & Daniels LLP to become assistant general counsel of Debtor, ultimately becoming general counsel of Debtor. In November 2012, Mrs. Long left Debtor. Mrs. Long then joined FBD as counsel in January 2013. On January 1, 2015, Mrs. Long was made a partner at FBD. While in the employ of Debtor, Mrs. Long was granted equity awards, some of which were restricted stock units, converted into common stock of Debtor while Mrs. Long was still employed by Debtor. Equity awards that had not converted at the time of Mrs. Long’s departure from Debtor were forfeited.

D. On May 12, 2015, the SEC filed a civil enforcement action against Debtor, its CEO, and its former CFO in the United States District Court for the Southern District of Indiana. Counsel to Debtor in this SEC action, Williams & Connolly, advised that Debtor intended to assert as a defense in that action the advice of professionals, including Mrs. Long and others at FBD. Williams & Connolly obtained an entry in the action defining a limited scope of Debtor’s resulting waiver of the attorney/client privilege. There has been no criticism of the work product provided by Mrs. Long and FBD. However, the possibility of such a scenario led FBD to obtain the consent of Debtor for the firm’s continued representation, notwithstanding the circumstances of the SEC action and raised defenses. Debtor granted that consent in May 2016.

E. Debtor created the PEAKS program as a mechanism to provide a private education loan program for Debtor’s students. FBD did not represent Debtor in connection with the PEAKS transaction. One of the larger creditor/investors in the PEAKS program was Wells Fargo Bank, N.A (“Wells Fargo”). The loan from Wells Fargo to the PEAKS trust was guaranteed by Debtor. Wells Fargo is a client of FBD and has consented to FBD’s representation of Debtor in its bankruptcy case. A copy of that consent is attached as Exhibit 3.

F. ITT entered into a program called the CUSO program to purchase loans originated by unrelated lenders as a way to fund private education loans to Debtor’s students. In connection with the CUSO program, Debtor entered into a risk-sharing agreement under which Debtor guaranteed the payment of a certain percentage of charged-off loans acquired by the CUSO program. Eli Lilly Credit

Union is an investor in the CUSO program. FBD represents Eli Lilly & Company (“Eli Lilly”), which is affiliated with the Eli Lilly Credit Union. FBD determined that its relationship with Eli Lilly did not require FBD to obtain consent of either Eli Lilly or the Eli Lilly Credit Union under the Rules of Professional Conduct, but nonetheless, make this disclosure.

16. In addition, as part of its practice, FBD appears in cases, proceedings and transactions involving many different attorneys, counsel, accountants, financial consultants and investment bankers, some of which now or may in the future represent claimants and parties in interest in Debtor’s case. FBD has not represented and will not represent any such entities in relation to Debtor and this case, nor does FBD have any relationship with any such entities that would be adverse to Debtor or the estate with respect to the Special Counsel Matters.

17. I further disclose that the Honorable James M. Carr, the bankruptcy judge presiding over Debtor’s case, was a partner at FBD until his judicial appointment on January 1, 2013, and Nancy J. Gargula, United States Trustee for Region 10, was a partner at FBD until 2001.

18. I do not believe that any of the representations or relationships listed on Exhibit 2 or described in paragraphs 15 through 17 above represents a conflict of interest with respect to the Special Counsel Matters upon which FBD is to be engaged.

19. Based on the foregoing and to the best of my knowledge, (a) FBD does not hold or represent an interest adverse to Debtor’s estate with respect to the Special Counsel Matters and (b) FBD has no connection to Debtor, its creditors, or other parties in interest, except as may be disclosed in this affidavit.

21. FBD has not searched its conflicts system on all potential creditors or parties in interest in this case. FBD will review its files and update its searches periodically during the pendency of this case to ensure that no conflicts or other disqualifying circumstances exist or

arise. If any new relevant facts or relationships are discovered or arise, FBD will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

I affirm under penalty of perjury that the foregoing statements are true.

By: /s/ Jay Jaffe

Jay Jaffe (#5037-98)
FAEGRE BAKER DANIELS LLP
600 East 96th Street, Suite 600
Indianapolis, IN 46240
Telephone: (317) 569-9600
Facsimile: (317) 569-4800
jay.jaffe@faegrebd.com

EXHIBIT 1

(Potential Parties in Interest)

1455 River Rd. LLC
200 BOP LL, LLC
220 West Germantown LLC
2525 Shadeland LLC
2525Shadeland
26500 Northwestern HWY
26500 Northwestern, LLC
311 New Rodgers Associates LLC
311 Veterans Highway
3800 Wilke LLC
4021 Durham Office, LLC
50 Penn Building Owner, LLC
93 NYRPT, LLC
A P Adler Albemarle, LLC
Abbotts Bridge, LLC
AEP - Ohio
AEP - Ohio
AEP Appalachian Power
AEP Indiana Michigan Power
Alagasco (Alabama Gas Company)
Albuquerque Bernalilo County Water Utility
Allegiancy
Alliant Energy
Allied Waste
Ameren UE
Andrea Blount;
AP Adler
AP Consolidated Theaters II Limited Partnership
AP Consolidated Theaters II Limited Partnership
April Mitchell;
Arouj Whyen;
Arrow Capital Solutions, Inc.
Ashfield Associates
Aspen Waste
Atmos Energy
Augustin Aguirre;
Aurora Park LLC
Aviation Business Park VII, LLC
Avista
BAI Century LLC
Bay Pacific Phoenix Corporate Center, LLC
Bay Pacific Phx Corp Cntr LLC
Bel Air Investments
Belco Community Credit Union
Bessemer Utilities
BGE
Bobson 333, LLC
Bobson Realty
Boeing Employees' Credit Union
Boston Properties
Boyd Orange GSA LLC

Brandon Park Associates LLC as Agent
Brian Burr
Bridge Parkway Associates, LLC
Browning Office Investment, LLC
Canton Township Water Department
Capital Health Associates
Capital Health Associates, L.P.
Carmel Utilities
Carol Robling
Cascade Station I & II, LLC
Cassidy Turley
Catherine Street Associates, LLC
CBRE Cascade Station II. LLC
CEC Red Run, LLC
Cedar Rapids
Center Point Energy
Cerberus Business Finance, LLC
CHANDLER UTILITIES
Chattanooga Gas
Chesterfield County Utilities Dept
Christopher Morgan
Citizens
City of Arlington
City of Arnold Municipal Services
City of Boise Utility Billing
City of Chattanooga
City of Clovis
City of Grandrapids
City of Los Angeles Dept of Water and Power
City of Milwaukee
City of Oxnard
City of San Bernardino Municipal Water Dept
City of Tampa Utilities
City of Tempe - Municipal Services
City of Toledo Dept of Public Works
City of Troy
City of Tucson Water
City of Webster
City of Wyoming
CITY UTILITIES
Clare Christle
Clay Township Regional Waste District
Cobb County Water System
Cobb Energy
Columbia Executive
Columbia Gas
Columbia Gas of Kentucky
Columbia Gas of Ohio
Columbia Gas of Ohio/first energy
Columbia Gas of Virginia
ComEd
Commerce Building II, LLC
Commercial Investments LLC
Commonwealth of Massachusetts
Conseco bill back
Consolidated Irrigation District No. 19

Constellation NewEnergy
Consumers Energy
Cora Adams
Cottage Grove Partners, LLC
CPS Energy
CPT Southpark Center I, LLC
CRI Mill Run Limited
CRP Pacifica Plaza SPE, L.L.C.
Cushman & Wakefield
Dalisha K. Aldridge
Dana Pitts;
Daniel Wendt
Darby Creek, LLC
David Heumann
Dayton Power and Light Company
DeAndra T. Smith
Debra Leveski
Doc & Laddy's Family Fun Center, Ltd.
Dominion
Dominion Virginia Power
Donald Williams
Dos Lagos Office, LLC
Dos Lagos Office, LLC
Douglasville City of
DTE
DTE Energy
Dugdale Medical Partners, L.P.
Duke Energy
Earle Brown Tower, LLP
East Hills Development, LLC
East Nooga, LLC
Eastwood Professional Partners LLC
Eastwood Professional Partners, LLC
Elizabeth Fonti
Elkar Limited Liability Company
Emarld Coast Utilities
EMS
Entergy
EPB Electric Power
Everett Technical Park I, LLC
Fairfax Water
First Energy/AEP
Florida No. 2 LLC
Florida Power & Light Company
Florida Rock Properties
Focus Centre Two, LLC
Fountain Square L.L.C.
FPL
FR Strongsville, LLC
FRP Hillside LLC #4
Galleria Shopping Center, LLC
Gardens 5901 Real Estate Corp
Garrison Place Office Center, LLC
Gary King (NM Atty Gen.)
GC Net Lease (Sylmar) Investors, LLC
Georgia Natural Gas

Georgia Power
Georgia Power
Gessner 2014
Gessner 2014 LP
Gessner 2014, LP c/o Insite Realty Partners, L.P.
GMB-FB,LLC
Golden State Water Company
Greenfield Sewer Service
Greentree II, LLC
Greenville Water System
Greystone Power
Gulf Power
Haggerty-Palmer II, LLC
Harris Co MUD #189
Heather McFarland;
Heather Young Thomas
Hendricks Commercial Properties, LLC
Highlands Business Park, LLC
Hillsborough County Tax Collector
HRT of Roanoke, Inc.
Hudson Energy
Hung Duong
I - 290 Limited Partnership
I 290 Limited Partnership
Idaho Power
IESI Mo Corp
INDIANA AMERICAN WATER CO
Indiana Michigan Power
INDIANAPOLIS POWER & LIGHT CO
Intermountain Gas Company
Ireland Miller, Inc.
Jacksonville Clinic Medical Plaza, LLC
Jatina Scales
Jax Lennox, LP
JEA
Jennifer Owensby
Jennifer Shackelford
Jennifer Taylor
JMC Properties LOC120 LLC
Johnson City Power Board
Journal Center Building Associates
Kayla Scifres
KCMO Water Services Dept
KCP&L
Kenny Morgan
Kentucky American Water
Kevin Gross
Kirkpatrick Plaza, LLC
KP Holdings Florida, LLC; KC Investors Florida I, LLC; KC Investors Florida II, LLC
KU
KUB
Kumagai Properties I, LLC
L-A Liberty Square Associates, LP
Laclede Gas
Lathrop Business Park, LLC
LBA Realty Fund II - WBP XV, LLC

Lexi serv
LG III, LLC
Liberty OW I, LLC
Lisa Webster
LM Phase I Limited Partnership
LSOP NC LLC
LSOP NC LLC
LSREF2 Cobalt TX, LLC
LSREF4 Dual, LLC
MAC Atlanta South, LLC
Maciel Malone
Magnum Colorado One, LLC
Mall at White Oaks, LLC
Manatee County Utilites
Margaret Bennett
Maria Mendez
Marketta Crutcher
Market-Turk Company
Martha Gonzalez
Matthew Roberts
MEMPHIS LIGHT GAS AND WATER DIVISION
Merit Partners, LLC
MERRILLVILLE CONSERVANCY DISTRICT
METRO WATER SERVICES
Metropolitan St. Louis Sewer District
Michelle O'Kelly
Mid American Energy
MIE Properties - LA, LLC
Miguel Marquez
Mindy Ramirez
Missouri American Water
Modern corporation
Montgomery County Water Services
Morris & Associates, Attorneys at Law
Mount Clemens General Hospital
Mountaineer Gas Company
Nancy Mayer Benns
NASHVILLE ELECTRIC
National City Investment Limited Partnership
National Grid
Network Way Properties, LLC
New Mexico Gas Company
Newburgh Utility Office
Newmark of Southern California, Inc. DBA Newmark Grubb Knight Frank
Nicole Akerley
Nicor Gas
Nicor Gas
NIPSCO
Nishikawa Farms, Inc.
North Monroe Properties LLC
NR6, LLC
NV Energy
NV Energy
NW Natural
NW Natural
Ohio Edison

Ohio Edison\Glacial
Onondaga County Water
Pacific Gas and Electric Company
Palm Beach County
Pamela Kuykendoll
PBY Partners
PBY Partners, LLC
Pearl Gardner
Penn Green, LLC
Peoples
Pfrs
PGE
PGE
Piedmont natural Gas
Pittsburg Mills Limited Partnership
Pittsburgh Mills
Plainfield Charter Township
PNM
Potomic Disposal
Powerscourt, LLC
Privatera Realty Holdings, L.L.C.
Prolo Family Clovis, LLC
Providence Melrose Vista, LLC
Psnr Eneregy
Public Water Supply District No. 1
Questar Gas
Racquel Hibdon
Rainier Property Management LP (50 Penn Building Owner)
Raymond Briney
RCF Southpark, LLC
REEP-OFC EIGHT WATER RIDGE NC LLC
Republic Service
Reservist, LP
Revenue Collections
RHO Properties
RL BB-TX, LLC c/o Newmark Grubb Knight Frank
Rock Creek Public Sewer District
Rocky Mountain Power
Rodford Seabolt
Rodney Lipscomb
Ronnisha Simmons
Ryan-Ashley Jackson
Sabey Corporation (Everett Tech Park)
Sacramento County Utilities
Samson Morris
San Antonio Water System
Sandra Starnes
Santee Cooper
Sawnee EMC
SBC III REO LLC
Scana
SCE&G
Sean Miner;
Seminole County Water & Sewer Utility
Sempra Energy Utility
SF CH2, LLC

Shakira Britton
Shawna Admire
Shayne Sneed;
Shively Center, LLC
SMUD Sacramento Municipal Utility District
Solar Drive Business, LLC
Sorrento II, LLC
SOUTH BEND MUNICIPAL UTILITY
Southern California Edison
Southwest Gas Corporation
Spokane County
Sprague Center
SRP
Srpnet
ST. Charles Parish Department of Waterworks
St. John Properties, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Fire and Marine Insurance Company;
Stephanie Zerr (Montero)
Steven Simmons
STG Realty Ventures, LLC
Structure commercial
Student CU Connect CUSO, LLC
Summerfield, L.L.C.
SWRE Deal V Building, LLC
Taija Thigpen
Taylorsville-Bennion Improvement District
TDCA Resource Square, LLC
Tech Park 5, LLC
TECO Tampa Electric
Tennessee American Water
TEQ Hillsboro, LLC
Terresa M. Bigham
Terri L. Burton
The Forum Three LLC
The Illuminating Company
Theresa Winters
Toledo Edison
Tonda Fenton
Tonya Bowers;
Town of Norwood Muni Light Dept
Township of Robinson
Truley Watkins
Tucson Electric Power
U.S. REIF ICP South Carolina, LLC
United Water
Utilities Department - Richardson TX
Utility Billing Services
Validus Group Partners, Ltd.
Vandalia
Vectren Energy Delivery
Veolia
Village of Howard Water & Sewer Dept
Village of Mount Prospect
Village of Orland Park
Virginia Natural Gas

Walden/Dick/SR-I FLA.
Walton/Greenlaw South Bay Holding
Washington National Insurance Company
Waste Management
WE Energies
West Knox Utility
West Plex
Westplex Limited Partnership III
White Realty and Service Corporation
William Briscoe;
Wisconsin Public Service Corporation
Woodland Hill Lake Park, LLC
World One
WWG Met4k Owner
Xcel Energy\Northern state
Youngstown Water Department
ZEG Ventures, LLC

EXHIBIT 2

- St. Paul Fire & Marine
- American Electric Power Co.
- Citizens Energy Group
- Fort Wayne City Utilities
- Clay Township Regional Waste
- Columbia Gas
- NIPSCO
- CNO Financial Group (formerly Consecro, Inc.)
- Duke Energy Indiana, Inc.
- Republic Services, Inc.
- Xcel Energy/Northern State
- Google Inc.
- Pearson Education/MacMillan Publishing
- Gibson, Dunn
- Deloitte & Touche
- Turner Broadcasting System
- Elsevier, Inc.
- Comcast
- Time Warner

EXHIBIT 3

(Consent from Wells Fargo)

Jaffe, Jay

From: Gary.D.Kanwischer@wellsfargo.com
Sent: Wednesday, September 07, 2016 1:50 PM
To: Stewart, Michael R.
Cc: Thomas.J.Zak@wellsfargo.com; Jaffe, Jay; Jody.D.Dudrey@wellsfargo.com
Subject: RE: Conflict Consent Request -- ITT Educational Services, Inc.

Mike,

On behalf of Wells Fargo Bank, NA I consent to this waiver on the terms below.

Gary D. Kanwischer
Senior Counsel
Wells Fargo Law Department

Wells Fargo & Company | 90 S 7th Street, 17th Floor | Minneapolis, MN 55402
MAC N9305-174
612-667-2407 | Fax 612-667-5098

Gary.D.Kanwischer@wellsfargo.com

CONFIDENTIALITY NOTE: The contents of this message may be a confidential attorney/client communication; confidential work product, or a confidential communication of proprietary information. If you are not the intended recipient, please destroy and notify the sender.

From: Stewart, Michael R. [mailto:Michael.Stewart@FaegreBD.com]
Sent: Wednesday, September 07, 2016 11:33 AM
To: Kanwischer, Gary D.
Cc: Zak, Thomas J.; Jaffe, Jay
Subject: Conflict Consent Request -- ITT Educational Services, Inc.

Dear Gary,

Thanks again for visiting with me today. I am writing to request your specific consent to our representation of a party in a matter which may result in a Conflict of Interest that is not covered by any of the general consents contained in the current *Wells Fargo & Company Policy Regarding Legal Conflicts of Interest*.

ITT Educational Services, Inc. (the "Adverse Party") has asked Faegre Baker Daniels LLP (the "Firm") to represent it in connection with the Adverse Party's current situation, which may entail the commencement of bankruptcy proceedings for the Adverse Party. You are aware of the news reports regarding the Adverse Party and its affairs. We understand that Wells Fargo holds approximately \$10 million of Senior Notes issued by PEAKS Trust 2009-1 (the "Trust") pursuant to a note purchase agreement, as well as an indenture and credit agreement, both dated January 20, 2010, where Deutsche Bank Trust Company Americas acts as indenture trustee and collateral agent for the Senior Notes ("DBTCA"). We understand that there are also other holders of Senior Notes. The Adverse Party has provided an unsecured guarantee of certain obligations of the Trust, which DBTCA may enforce against the Adverse Party. We assume that the Senior Notes will soon be in default, if they are not already in default, and DBTCA may seek to enforce remedies against the Adverse Party related to the guarantee. If the Adverse Party should file for bankruptcy, DBTCA and/or the holders of Senior Notes will be entitled to file proofs of claim against the Adverse Party. We understand that the Trust's obligations to Wells Fargo are now being handled by the Credit Resolution Group at Wells Fargo, and the loan officer in charge of the matter is Tom Zak. The lawyers at the Firm who would represent the Adverse Party in

this matter would be Christine Long, Jay Jaffe, Wendy Ponader, Terry Hall, Nora Schweighart and others as necessary. As you know, the Firm represents many Lines of Business at Wells Fargo.

If you consent to our representation of the Adverse Party in this matter, which may include the commencement and handling of a bankruptcy case on behalf of the Adverse Party, we acknowledge and agree that the representation will be subject to all applicable rules of professional conduct and that the Firm will not (1) disclose to an Adverse Party any confidential information concerning Wells Fargo or its businesses (including, without limitation, trade secrets, matters covered by the attorney-client privilege and matters covered by the attorney work product privilege), (2) use such information in any matter or proceeding without Wells Fargo's consent, or (3) represent the Adverse Party in any subsequent Dispute with Wells Fargo arising out of the Transaction or any prior Dispute for which a general or specific consent has been given by Wells Fargo, as applicable.

In addition (a) the Firm will not participate in any manner in any challenge to the amount, allowance, validity, priority, perfection, or extent of liens or claims asserted or held by Wells Fargo, and (b) the Firm will not commence, render legal advice respecting, or otherwise participate in, any litigation which seeks or would seek to recover funds from Wells Fargo whether by direct payment from Wells Fargo, setoff, recoupment, counterclaim or any other means.

If you agree that the Firm may conduct its proposed representation in the referenced matter subject to these conditions, or subject to such additional conditions as you may deem appropriate under the circumstances, please confirm this for me by return e-mail.

Please feel free to call me if you have any comments or questions regarding our request. Thanks in advance for considering it.

Sincerely,

Michael R. Stewart

Partner

michael.stewart@FaegreBD.com Download vCard
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Faegre Baker Daniels LLP

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